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# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)	
Midcontinent Communications	)	
Transferor,	)	
and	)	
BEK Communications Cooperative	) File No	
Transferee.	)	
For Consent to Transfer Control pursuant to	)	
Section 214 of the Communications Act of 1934, as amended	)	

# JOINT APPLICATION FOR TRANSFER OF CONTROL OF DOMESTIC SECTION 214 AUTHORIZATION

Midcontinent Communications ("Midcontinent" or "Transferor") and BEK

Communications Cooperative ("BEK" or "Transferee") hereby request authorization for the transfer of control of certain operations of Midcontinent to BEK.

#### **Background**

Applicant Midcontinent is the largest cable provider in the Dakotas. Midcontinent offers cable service, high speed Internet and telephone service across North Dakota and South Dakota, and also serves some customers in western Minnesota. Midcontinent has been offering long distance telephone service since 1982 and local telephone service since 1999. Applicant BEK is an incumbent local exchange carrier ("LEC") providing local exchange and exchange access service to approximately 5,100 residential and 1,365 business access lines in North Dakota.

When the contemplated transaction is consummated, the Midcontinent customers in

the areas described below will be transferred to BEK. Midcontinent will continue to exist

and to operate in the remainder of its service territory.

The proposed transaction is not entitled to streamlined treatment under the

Commission's rules for transfers of domestic authorizations. However, and as described

below, the transaction involves the transfer of only a small number of customers who are

served entirely by resale of BEK's facilities-based service and, consequently, the parties

request that the Commission grant it on an expedited basis.

**Description of the Transaction** 

This transaction will be accomplished through the transfer of customers and related

business assets relating to Midcontinent's operations in Lehr, Linton, Napoleon, Wilton,

Wishek and Zeeland, North Dakota to BEK. All of these customers currently are served by

resale of BEK's local exchange service, and consequently Midcontinent has no related

facilities in those communities. Approximately 29 customers are affected by this change,

which is the result of Midcontinent's decision to exit the cable and telephone market in those

communities.

. . .

In accordance with the requirements of Section 63.04(a) of the Commission's Rules,

Applicants submit the following information:

(1) Name, address and telephone number of each applicant:

**Transferor:** 

Midcontinent Communications

3901 N. Louise Avenue

Sioux Falls, South Dakota 57107

Tel:

(605) 357-5485

2

#### Transferee:

100

BEK Communications Cooperative 200 East Broadway Steele, North Dakota 58482 Tel: (701) 475-2100

(2) Government, state or territory under the laws of which each corporate or partnership applicant is organized

Midcontinent is a general partnership organized under the laws of South Dakota.

BEK is a cooperative corporation organized under the laws of North Dakota.

(3) Name, title, post office address, and telephone number of the officer or contact point to whom correspondence concerning the application is to be addressed

For Midcontinent:

J.G. Harrington
Dow Lohnes P.L.L.C.
1200 New Hampshire Avenue, NW
Suite 800
Washington, DC 20036
Tel. 202-776-2818
Fax 202-776-2222

For BEK:

Derrick F Bulawa CEO/General Manager BEK Communications Cooperative 200 E Broadway Ave. Steele, ND 58482

(4) Name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten percent of the equity of the applicant entities:

#### **Transferor:**

The following entities own 10 percent or more of the equity of Midcontinent:

Name and Address Percentage Principal
Ownership Citizenship Business

Midcontinent Communications Investor, LLC	50%	US	investments
3600 Minnesota Drive, Suite 700			
Minneapolis, MN 55435			
•			
TCI-Midcontinent, LLC	50%	US	investments
1500 Market Street			
Philadelphia, PA 19121			

Midcontinent Communications Investor is wholly owned by Midcontinent Media, Inc. a privately-held company organized under the laws of the state of Minnesota, which has the same address as Midcontinent Communications Investor. TCI-Midcontinent is wholly owned by Comcast Corporation, a public company organized under the laws of the state of Pennsylvania, which has the same address as TCI-Midcontinent.

The following individual owns 10 percent or more of the equity of Midcontinent Media, Inc.:

Name and Address	Percentage Ownership	Citizenship	Principal Business
Larry Bentson 3600 Minnesota Drive, Suite 700	95.81%	US	investments
Minneapolis, MN 55435			

No individual or entity holds 10 percent or more of the equity of Comcast Corporation.

#### Transferee:

BEK is a cooperative, owned by all of its members. No individual holds an equity interest of 10 percent or more.

(5) Certification pursuant to 47 C.F.R. §§ 1.2001-1.2003 that no party to the application is subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 583

Applicants hereby certify, pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of their knowledge, information, and belief, no party to the application is subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 583.

#### (6) Description of the transaction

This application proposes the transfer of control of certain operations of Midcontinent under its domestic Section 214 authorization of BEK through the transfer of customers currently served by Midcontinent via resale of BEK's service in Lehr, Linton, Napoleon, Wilton,

Wishek and Zeeland, North Dakota. All necessary state authorization to conduct the proposed transaction has been obtained by Applicants.

After the proposed transaction, service will continue to be made available to all current customers within the affected service area. BEK will initially offer services at the current rates, terms and conditions. No carrier change charges are associated with the transaction, and customers will be informed as to any changes in customer service or billing contact information that will result from the transaction.

(7) Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area

#### **Transferors:**

. . .

Applicant Midcontinent is a local exchange carrier ("LEC") providing local exchange service via resale to approximately 29 residential access lines in the communities listed above. Midcontinent provides telephone service to a total of approximately 80,000 customers in Minnesota, North Dakota and South Dakota, mostly over its own facilities. Midcontinent also provides interstate and international long distance services.

Through this transaction, Midcontinent is transferring all of its telephone customers in the communities listed above. It no longer will provide local exchange, exchange access or interstate long distance service to the customers in those communities.

#### Transferee:

Applicant BEK offers local exchange and exchange access service to more than 6,000 customers as an incumbent local exchange carrier in North Dakota. These services are offered via BEK sown facilities. BEK is certificated as a local exchange carrier in North Dakota.

(8) Statement as to how the application fits into one or more of the presumptive streamlined categories in Section 63.03 of the Commission's Rules or why it is otherwise appropriate for streamlined treatment

This application is not entitled to streamlined processing under Section 63.03 of the Commission's Rules. However, grant of the application will not harm competition and will be in the public interest in light of the circumstances of the transaction.

The transaction affects only a small number of lines that are served by Midcontinent via resale of BEK's facilities-based services. There will be no negative impact on the quality of service because customers will receive the same service they are receiving today and, because the affected customers now will be able to contact BEK directly to address service-related inquiries.

In addition, Midcontinent intends to exit the market for local telephone and exchange access service in the affected communities and grant of this application merely will facilitate an orderly transition for customers in those communities. Consequently, the proposed transaction will have no adverse effect on competition. In light of these facts, the parties request expedited treatment of this application.

(9) Identification of all other Commission applications related to the same transaction

None

(10) Statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure

Neither party to the transaction is facing imminent business failure. Therefore, Applicants are not requesting special consideration for this reason.

(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction

No separately filed waiver requests are being sought in conjunction with the transaction.

(12) Statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets

The proposed ownership structure will enable the continued provision of high-quality communications services to current Midcontinent customers in the affected communities. These customers will receive exactly the same service they receive today, and as a consequence of being served directly by BEK, will gain the additional benefit of being able to contact BEK directly for customer service concerns. In addition, economic and strategic efficiencies will result from the transaction, benefiting the current subscribers of both companies. For instance, BEK will be able to offer customers bundled local telephone, Internet and cable service to customers in the affected communities.

Moreover, because Midcontinent intends to exit the local telephone market in the affected communities, customers will benefit from a smooth transition to BEK as their provider. Grant of the application will ensure that no customer is required to take any action to retain his or her telephone service and existing telephone number following Midcontinent's exit from the affected communities.

#### Conclusion

For the foregoing reasons, the Applicants respectfully request that the Commission grant the requested on a streamlined basis.

Respectfully submitted,

Midcontinent Communications

G. Harrington

Its Counsel

Dow Lohnes P.L.L.C.

1200 New Hampshire Avenue, NW

Washington, DC 20036

(202) 776-2818

jharrington@dowlohnes.com

and

**BEK Communications Cooperative** 

By: Devent J. Rulawa jif.
Derrick F. Bulawa

CEO/General Manager

200 E Broadway

Steele, ND 58482

(701) 475-2361

derrick@bektel.com

Date: November 5, 2008

### JOINT DOMESTIC SECTION 214 APPLICATION **BEK CERTIFICATION**

I, Derrick F Bulawa, CEO/General Manager of BEK Communications Cooperative hereby certify that no party to this application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Dated October 37, 2008

Derrick F Bulawa

CEO/General Manager

BEK Communications Cooperative

## FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE

Approved by OMB 3060-0589 Page <u>1</u> of <u>1</u>

979091  SECTION A - PAYER INFORMATION  (2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card)  DOW Lohnes PLLC  (4) STREET ADDRESS LINE NO. 1  C/O J.G. Harrington, Esq.  (5) STREET ADDRESS LINE NO. 2  1200 New Hampshire Ave., NW  (6) CITY  FCC USE ONLY  (3) TOTAL AMOUNT PAID (U.S. Dollars and cents)  \$\$\frac{1}{5}\$\$	
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(13) APPLICANT NAME	
Midcontinent Communications	
(14) STREET ADDRESS LINE NO. 1	
410 South Phillips Avenue	
(15) STREET ADDRESS LINE NO. 2	
(16) CITY (18) ZIP CODE	
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SECTION D - CERTIFICATION	
CERTIFICATION STATEMENT	
I, Allyson Mejia , certify under penalty of perjury that the foregoing and supporting information is true and correct	to
the best of my knowledge, information and belief	
SIGNATURE Chegran Megran DATE 11/05/2008	
SECTION E - CREDIT CARD PAYMENT INFORMATION	
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